Public Financial Management System (PFMS)

Full Roll Out of PFMS

Presentation before PRC
Public Financial Management System
Bank Integration of PFMS with Core Banking Solution (CBS) facilitates,

near real time bank account validation, fund transfer and

access to view bank balances of implementing agencies.

The system is configured to make e-payment using Digital Signature, Corporate Internet Banking (CINB) and Payment Print Advice.
The work on linking of State Treasuries with the PFMS complete in respect of 10 States - Treasury integration with other states and UT with Legislature is in progress.

<table>
<thead>
<tr>
<th>Status</th>
<th>States</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| Fully interfaced (10)   | Assam, Kerala, Maharashtra, Odisha, Puducherry, Jharkhand, Uttar Pradesh, Bihar*, Rajasthan*, Madhya Pradesh* | All schemes not fully mapped  
* Data for 2015-16 not yet received |
| Partially interfaced (15)| Punjab, Goa, Haryana, West Bengal, Andhra Pradesh, Telangana, Arunachal Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Manipur, Meghalaya, Sikkim, Tamilnadu, Uttarakhand | Mapping of schemes  
Setting up of server  
Testing of data structures |
| Not interfaced (6)       | Jammu & Kashmir, Karnataka, Mizoram, Nagaland, Tripura & Delhi          | Do not have centralised servers/ Other Issues                           |

FS has recently addressed a letter to all the Chief Secretaries to expedite the treasury interface with PFMS.
Functionalities of PFMS

Key Functionalities:
1. Configuring of schemes on the portal for fund transfer
2. Enabling fund management for Implementing Agencies through EAT Module
3. Facilitating DBT/non-DBT payments to beneficiaries & others
4. Linking PFMS with State Treasury systems
5. Bank Interface for effective payments, reconciliation and reporting to scheme/Program Managers.
6. PAO/DDO computerisation in each Civil Ministry
7. Enabling e-collection of Non Tax Receipts
Fund Flow for CS and CASP Schemes
As per PFMS MoRD has following CS and CASP Schemes:

• **CS Schemes**
  • Number of Schemes-11 (it includes components of schemes)
  • Outlay : 7,883 Cr.

• **CASP Schemes**
  • Number of currently operational Schemes- 5
  • Outlay : 78,117 Cr.
Requirements to meet the expectations

• Mandatory registration of leftover Implementing Agencies (IAs) on PFMS
• Mandatory use of Expenditure Advance & Transfer (EAT) Module of PFMS by all IAs

• Present Status:
  • All level-1 Agencies are registered with PFMS but none of them are using EAT module
  • Total Universe of CS and CASP Schemes is not known
• Ministries to complete the following with the help of CPMU, PFMS:

• Registration of all IAs (First level and all levels below)
• Customisation of Scheme
• Uploading of Sanctioned budget of each scheme on PFMS
• Identify implementation hierarchy of each Scheme
• Integration of systems Interface of specific Schemes
• Deployment of Trainers (Resource Persons)
• Training of Trainers
• Support required by PDs at Implementation Level
  • Hardware including Internet connectivity to be made available
  • Resource persons including Technical resources (NIC/ Consultants) and for Implementation work at all levels
  • PDs need to upscale their resources as per the actual requirements assessed in terms of number of programs/schemes and complexities/levels of implementation of these programs/schemes.
Timelines

Dependent on availability of resources and other requirements, the following timelines were proposed:

1. Implementation of CS Category Schemes in all Central Ministries for first level releases (excluding PSUs, Autonomous Bodies, NGOs) - by October 2016.

2. For Other agencies (PSUs, Autonomous bodies, NGOs) and second level and below agencies of Central Government – Depending on the preparedness of the Ministry and at the I.A level it shall be taken up. However the target is to complete the task by 31.3.2017.
Requirements from Ministry

- Identify the Schemes in which 1st level Agencies may use Expenditure – Advance- Transfer (EAT) Module of PFMS
- Identify Master Trainers for Training to the users of EAT Module in First Level IAs
- Identify all Implementing Agencies at all levels below 1st Level Agencies
- Ensure their registration on PFMS in respective hierarchy and their training for use of PFMS Modules
- Preparation of detailed Training Material for each Scheme for each level
- PDs to Draw Action Plans
• Set up a PFMS Cell.
• PFMS will place an outsourced Project Manager in the Cell. Other outsourced personnel may also be placed in the Cell along with some existing staff, as available.
• Identify all Implementing Agencies below 1st Level Agencies
• Identify Master Trainers for Training.
• Draw Action Plans with consensus of the Secretary of the Ministry / Department Concerned
• To ascertain Fund Flow Hierarchy, Scheme Components and DBT process for each Scheme in consultation with Program Division (PD) and liaison with PFMS project Cell for its customisation on web portal.
• Preparation of scheme wise guidelines for Expenditure-Advance-Transfer module (EAT) in consultation with PD.
• Support to Program Division for DBT implementation to provide immediate solution for non-technical issues.
• Monitoring of all kind of reports and its analysis for the concerned Department/ Ministry.
• Reporting to PFMS project Cell for the technical issues/ improvement required in EAT Modules/reports of the concerned Department/ Ministry.
Monitoring of CASP Scheme funds is in two steps:

1. Through PFMS-State Treasury Integration
2. Use of PFMS by State Implementing Agencies.

Following activities are expected to be monitored by CCA Office:

• Monitoring Treasury Reports of CASP Schemes.
• Configuration of Standard Hierarchy and Components of the CASP Scheme which will be further customised by SPMU in case different states have different hierarchies and components
• Assisting States in case of Scheme specific queries w.r.t. PFMS
• Draw State wise Action Plans with approval of the Secretary.
• Monitoring other reports w.r.t. Fund Flow of the CASP Schemes of the Ministry
1. Define Hierarchy
   • Multiple/Single
   • Urban/Rural
   • CS/CASP
   • Overlapping to administrative Boundaries

2. Register Agencies with Bank Accounts details

3. Monitor flow of fund on the basis of real time Bank Statement
Scheme Components

• Activities/ Sub Activities under which fund is utilized
  
  *(Items of Expenditure)*

  *Scheme Managers can watch the expenditure made under each component/sub component if e-payment is done on PFMS portal by registered agencies.*

• After Defining Components and sub components on PFMS portal, users can file expenditure /can make payments online by selecting components/sub-components.

• On the basis of transactions on PFMS, Utilization certificates can be generated on PFMS portal and can be submitted digitally online or can be uploaded in PDF form by signing it physically.